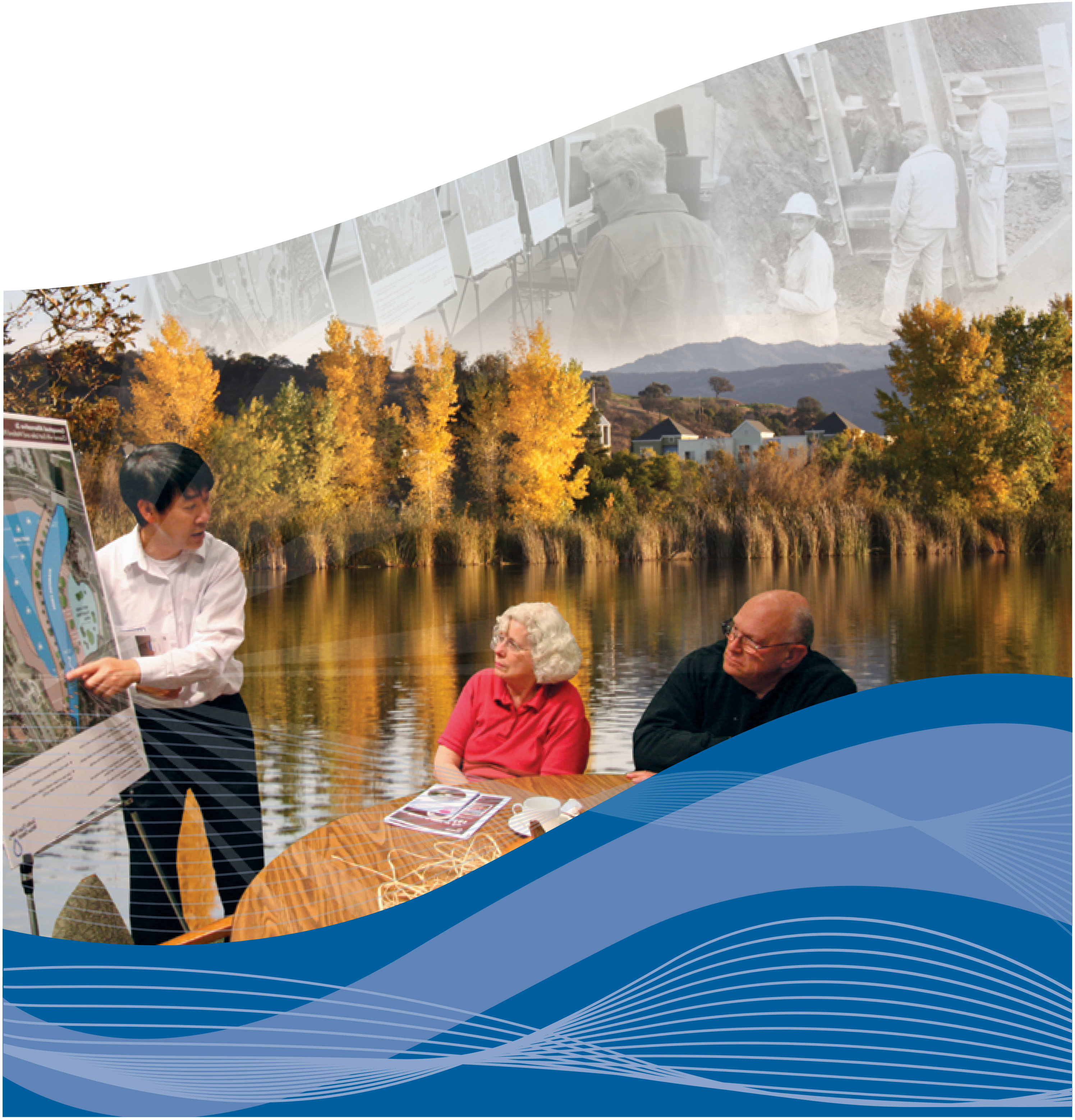
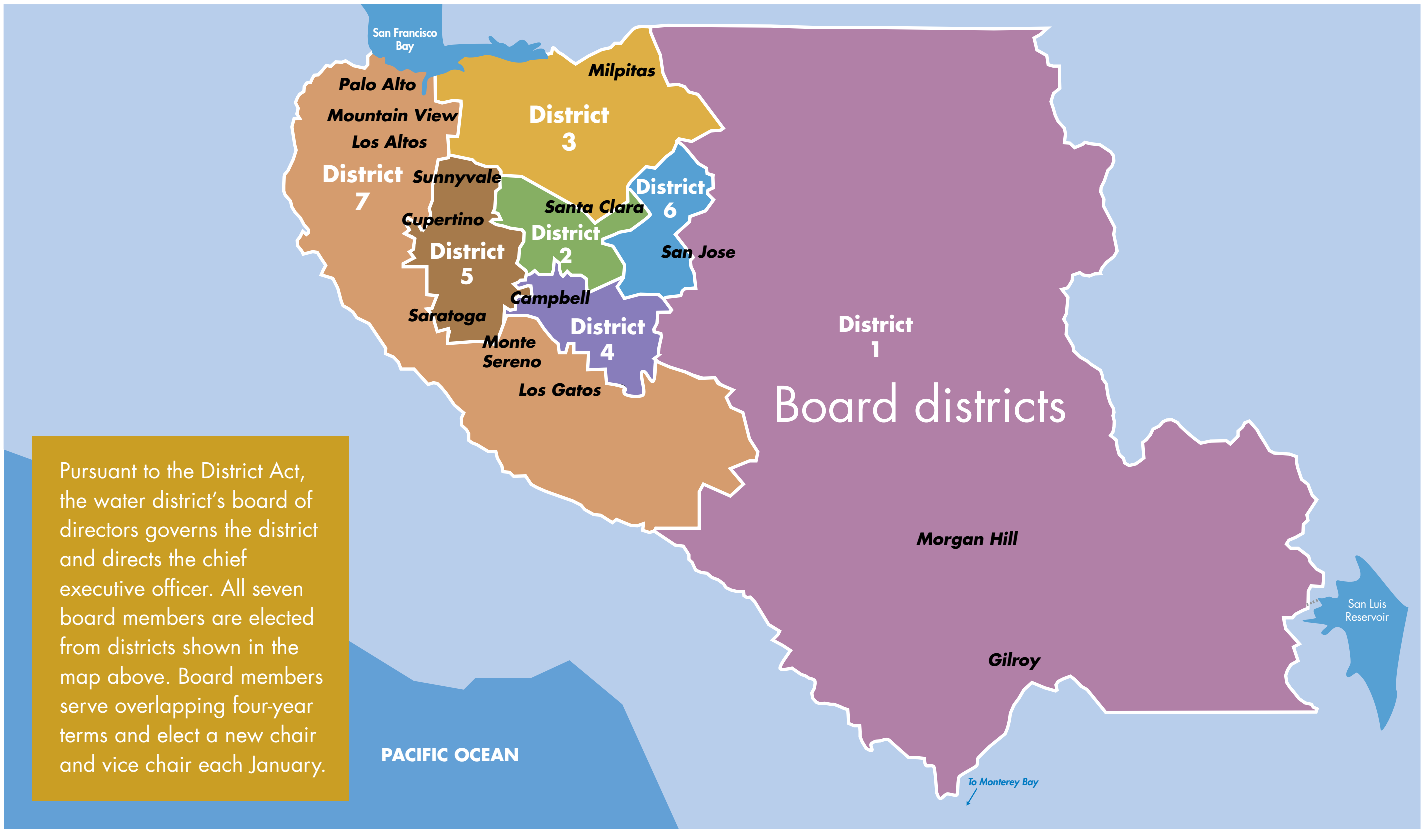
Santa Clara Valley Water District

FY 2012-13
Annual Report



The mission of the district

is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.



Pursuant to the District Act, the water district's board of directors governs the district and directs the chief executive officer. All seven board members are elected from districts shown in the map above. Board members serve overlapping four-year terms and elect a new chair and vice chair each January.

District at a glance

Cities served: 15
Water retailers served: 12
Population served: 2 million residents and commuters
Budget: $285.2 million **FY 2012–13**
Water used in the county:
Approximately 362,700 acre-feet (AF) **FY 2012–13**
Water imported: 188,000 AF **FY 2012–13**
Groundwater recharged: 90,000 AF **FY 2012–13**

Reservoirs: 10, combined capacity of 169,000 AF
Treatment plants: 3, delivered 129,500 AF **FY 2012–13**
Pumping plants: 3
Miles of streams maintained: 275
Miles of pipelines: 143
Mercury removed from waterways:
More than 4,200 pounds since 2000
Acres of wildlife habitat restored: 569

CEO Message

Thank you for taking the time to read the water district's Annual Report for fiscal year 2013 (July 1, 2012–June 30, 2013). This report highlights the important work undertaken by the dedicated employees of the district to ensure that you have a reliable water supply, that your drinking water is safe and clean, that our homes, businesses and roads are protected from major flooding, and that our local creeks and rivers are protected and enhanced.

Building on the success of the 2000 Clean, Safe Creeks and Natural Flood Protection Programs (Clean, Safe Creeks), the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water) was developed with input from more than 16,000 residents and stakeholders. In November 2012, the voters of Santa Clara County overwhelmingly approved the measure by a 74 percent passage. The voters clearly recognize the importance to Silicon Valley to have safe, clean water for a healthy life, environment and economy and have the confidence in the district to deliver on the program.

The priorities of the program include:

- Ensuring a safe, reliable water supply for the future—$15 million
- Reducing toxins, hazards and contaminants, such as mercury and pharmaceuticals, in our waterways—$54 million
- Protecting our water supply and local dams from the impacts of earthquakes and natural disasters—$48 million
- Restoring fish, bird and wildlife habitat and providing open space access—$108 million
- Providing flood protection to homes, businesses, schools, streets and highways—$201 million

In May, the board of directors approved the five-year Implementation Plan. Safe, Clean Water implementation for these projects began in July 2013. For more information, visit www.valleywater.org/SafeCleanWater.aspx.

During fiscal year 2013, the water district continued to focus on the delivery of the core services that are critical to Silicon Valley's economic vitality and competitiveness as well as our county's quality of life. Like most urban water agencies, the future calls for major infrastructure investments. The investments are needed to maintain and manage an aging infrastructure, improve the seismic reliability of our dams, ensure water supply reliability and quality, and deliver major flood protection projects.

In this report, you will see several critical water supply and flood protection projects highlighted as key milestones have been reached.

Over the next decade, the district will invest approximately $2 billion on critical infrastructure repairs and improvements. These investments can only be fully realized with the support of federal and state resources. And while our efforts to reduce the threat of flooding has been hampered by the lack of available federal matching funds in recent years, we have leveraged more than $69 million in federal, state and local funds since FY 2008–09 and received more than $20 million to support critical water infrastructure projects in FY 2012–2013.

At the same time, managing our water supply depends on more than pipes, pumps and dams. In Santa Clara County, about 40 percent of our annual water supply is imported from state and federal systems that rely on moving water directly through the Sacramento-San Joaquin Delta, and that number grows significantly in dry years like this one. That is why the water district is actively involved in efforts to find a long-term solution for a reliable, sustainable Delta ecosystem.

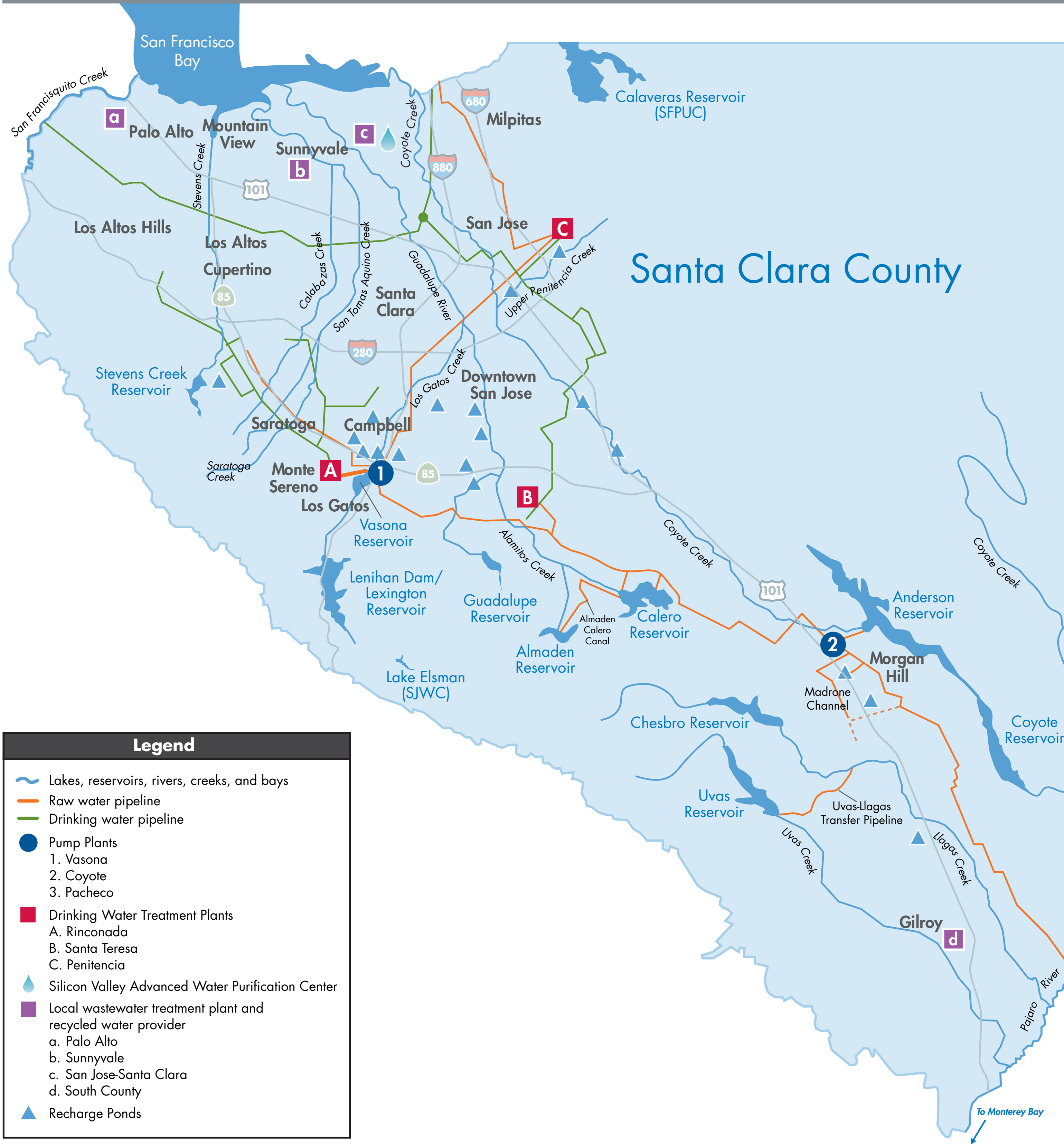
Stewardship of our local watersheds is equally important. By taking an integrated environmental stewardship approach to our water supply and flood protection work we can seek value-added project alternatives and opportunities for environmental enhancements along waterways throughout the county. You will find a few such examples in the following pages.

As evidenced in this report, the district has made significant progress and completed a number of milestones throughout FY 2012–13. The district tracks its progress on deliverables through its Quarterly Performance Report, presented to the board each quarter. This report measures performance milestones against approved budget, the district's guiding Ends Policies and specific Outcome Measures (objectives). This year's annual report incorporates metrics and key data from these quarterly performance reports.

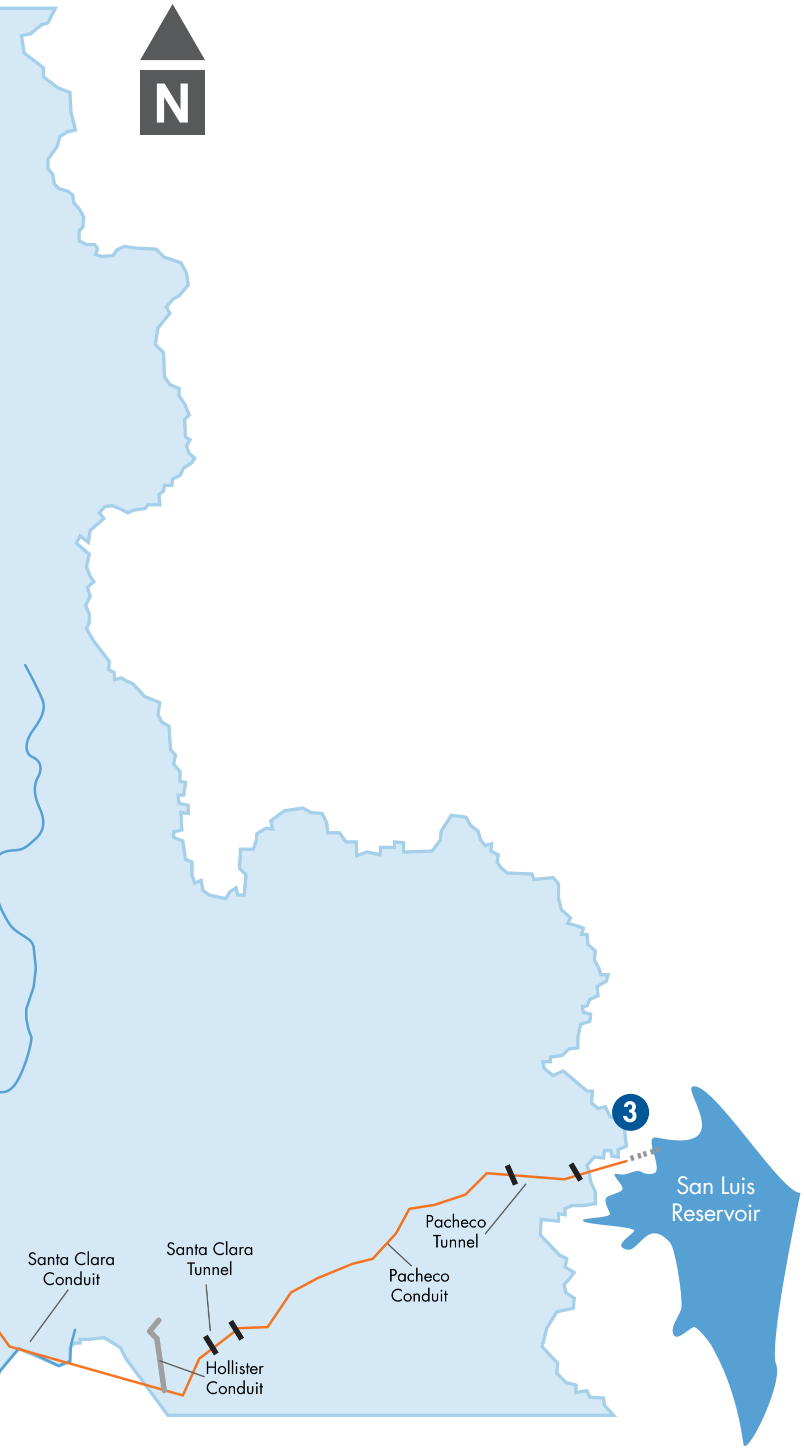
None of these organizational outcomes could be accomplished without the dedicated team of professionals working around the clock to effectively manage the county's water resources on behalf of our community. The work of the water district never ends. We will continue to work hard to protect and secure our water resources today to ensure Silicon Valley's sustainability into the future.

Beau Goldie
Chief Executive Officer

Overview



San Francisco Bay
San Francisquito Creek
a
Palo Alto
Mountain View
Sunnyvale
b
c
Coyote Creek
680
880
Milpitas
Calaveras Reservoir (SFPUC)
Stevens Creek
101
Los Altos Hills
Los Altos
Cupertino
85
Calabazas Creek
San Tomas Aquino Creek
Guadalupe River
San Jose
C
Upper Penitencia Creek
Santa Clara County
Santa Clara
280
Los Gatos Creek
Downtown San Jose
Stevens Creek Reservoir
Saratoga
Campbell
Saratoga Creek
Monte Sereno
A
1
85
Los Gatos
B
Vasona Reservoir
Alamitos Creek
Coyote Creek
Lenihan Dam/ Lexington Reservoir
Guadalupe Reservoir
Almaden Calero Canal
Calero Reservoir
101
Anderson Reservoir
Coyote Creek
2
Almaden Reservoir
Lake Elsman (SJWC)
Morgan Hill
Madrone Channel
Chesbro Reservoir
Coyote Reservoir
Uvas Reservoir
Uvas-Llagas Transfer Pipeline
Uvas Creek
Llagas Creek
Gilroy
d
River
Pajaro
To Monterey Bay
Legend
Lakes, reservoirs, rivers, creeks, and bays
Raw water pipeline
Drinking water pipeline
● Pump Plants
1. Vasona
2. Coyote
3. Pacheco
🟥 Drinking Water Treatment Plants
A. Rinconada
B. Santa Teresa
C. Penitencia
Silicon Valley Advanced Water Purification Center
🟪 Local wastewater treatment plant and recycled water provider
a. Palo Alto
b. Sunnyvale
c. San Jose-Santa Clara
d. South County
▲ Recharge Ponds



The Santa Clara Valley Water District manages an integrated water resources system that includes the supply of clean, safe water, flood protection and stewardship of streams on behalf of Santa Clara County's 1.8 million residents. The district effectively manages 10 dams and surface water reservoirs, three water treatment plants, a state-of-the-art water quality laboratory, nearly 400 acres of groundwater recharge ponds and more than 275 miles of streams. We provide wholesale water and groundwater management services to local municipalities and private water retailers who deliver drinking water directly to homes and businesses throughout Santa Clara County.

The cities and towns served by the water district are: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, Saratoga and Sunnyvale.

The district's highest-level priorities are encompassed in three board policies:

- **Clean, Reliable Water:** There is reliable, clean water supply for current and future generations.
- **Natural Flood Protection:** There is a healthy and safe environment for residents, business and visitors, as well as for future generations.
- **Healthy Creeks and Ecosystems:** There is water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

Clean, Reliable Water

Rinconada Water Treatment Plant

Treatment and testing to ensure water quality

Through treatment and daily testing of imported and local surface water, the district makes sure the treated water delivered to the community is healthy and safe. The district's three water treatment plants (Rinconada, Santa Teresa and Penitencia) utilize rigorous processes to produce clean, safe drinking water that consistently met or surpassed all applicable state and federal drinking water regulatory standards during FY 2012–13.

In addition, the planning phase for major upgrades to our oldest water treatment plant, Rinconada, was completed in June 2012. The project objectives are to improve the plant's reliability by replacing or upgrading all the major plant components and increasing its capacity to 100 million gallons a day (mgd) from its current capacity of 80 mgd. Early planning for the project began in 2005. Design continues now with construction work to begin in 2015 and continuing through 2019.

Water conservation efforts

Water conservation is a key part of the district's core business and vital to planning a future reliable water supply for a growing region. The district continued its outreach to residents and businesses to convey the importance of using water efficiently and provide them with incentives for using water efficient appliances and practices.

Save Water. Save Money.
For water saving **rebates**, go to Save20Gallons.org.

Through implementation of long-term programs, the district worked with water users and its retail water agencies to achieve 56,000 acre-feet (over 18 million gallons) of water savings in FY 2012–13. We are more than halfway (57 percent) to reaching our 2030 target of 98,800 acre-feet in annual water savings.

The district works closely with its retail water agencies to provide sustainable, cost-effective and comprehensive water conservation programs as well as develop innovative programs that promote emerging technologies to improve program efficiency and minimize environmental impacts.

By 2030, investments in water conservation are expected to reduce future water needs by 20 percent.

www.save20gallons.org

Pipeline reliability

Pipelines are the skeleton of our local water delivery system and require continual maintenance to remain operational.

Significant pipeline repair and maintenance work was carried out during the year including inspection, rehabilitation and/or repair of seven miles of treated water pipelines and 10 miles of raw water pipelines. Rehabilitation includes replacement of all mechanical pipeline appurtenances and valves as well as internal inspection and repair of cracks. One of the pipeline projects that was initiated during FY 2012–13 was the Five-year Pipeline Rehabilitation Project. Work on this project will rehabilitate approximately 60 miles of pipes across the county and is scheduled to be completed by 2017.

Dam storage and safety

The reservoirs operated by the Santa Clara Valley Water District are highly visible elements of our water supply and flood protection programs for Santa Clara County. Water stored in the district's 10 reservoirs provides 25 percent of Santa Clara County's water supply. Reservoir operations are coordinated with water imported from the Sierra Nevada through the Bay Delta. Reservoir water can be treated at drinking water treatment plants or recharged into the local groundwater basins.

Recognizing the catastrophic nature of potential dam failure, dam safety continues to be one of the district's top priorities. Our dams fall under the jurisdiction of the state Department of Water Resources, Division of Safety of Dams (DSOD). The dams are inspected twice each year and are continuously monitored for seepage and settling.

With greater understanding about seismic events, standards have evolved significantly since the dams were constructed in the 1930s and 50s. As a result, the district is conducting seismic stability evaluations of nine dams. So far, evaluations at Anderson, Almaden, Calero, Guadalupe, Stevens Creek and Lenihan dams have been done. Studies for Coyote, Uvas and Chesbro dams will begin in 2014.

Anderson, Guadalupe and Calero dams are already known to have seismic issues, and those dams, along with Coyote and Almaden, are operating under storage restrictions (cannot be filled to capacity) to protect against downstream flooding in the unlikely event of a catastrophic failure from a massive earthquake.

SPOTLIGHT

Reverse osmosis vessels

Silicon Valley Advanced Water Purification Center

Construction of the district's fourth treatment facility, a state-of-the-art water purification plant, continues. The Silicon Valley Advanced Water Purification Center, the largest advanced water purification plant in northern California, will feature microfiltration, reverse osmosis (RO) and ultraviolet (UV) disinfection to purify secondary-treated effluent from the San José-Santa Clara Regional Wastewater Facility.

This advanced purified water will be blended with the existing recycled water supplies to enhance its quality and expand its usage via the South Bay Water Recycling purple pipe system.

The center will also demonstrate how these advanced technologies can produce highly purified water that can be used for a variety of purposes, including potentially expanding Silicon Valley's future drinking water supplies to meet our growing long-term needs and decrease our reliance on imported water supplies.

Anderson Dam Seismic Retrofit project update

Anderson Dam in Morgan Hill was built in 1950 and is the county's largest reservoir. At the time of its construction in the 1950s, the dam was considered safe, complying with all engineering standards and requirements of that time. In 2011, with oversight of the DSOD, the district completed a seismic stability evaluation of Anderson Dam. Results from the study

Aerial photo of Anderson Dam

indicate that part of the dam could experience significant slumping if a 7.25 magnitude earthquake were to occur on the Calaveras Fault within two kilometers (1.25 miles) of the dam. As a public safety measure, the maximum reservoir water level has been kept at 45 feet below the dam crest until the dam is rehabilitated.

Since the study, the district has initiated the Anderson Dam Seismic Retrofit Project to modify the dam so that it can withstand large earthquakes and allow the reservoir to be safely filled to its capacity. The project includes a seismic retrofit of the dam embankment, the replacement of the existing dam outlet works to meet emergency drawdown requirements, and enlarging the spillway to address new flood requirements. The project is currently in the planning and design phase. In January 2013, the district hosted a community meeting to discuss the project. More than 80 Morgan Hill residents attended to learn about the six proposed project alternatives. District staff continued important work throughout FY 2012–13 on seismic stability improvements for public safety, operational flexibility and asset protection.

This is a major effort consisting of planning, design and construction. Construction will not begin until early 2016 and will take approximately two years to complete.

Imported water and the Bay Delta

Our local water resources are insufficient to meet all the water needs of our region. A full 55 percent of our county's water each year is imported from the Sierra Nevada, 40 percent of it flows directly through the Bay Delta and another 15 percent comes through the Hetch Hetchy system. These numbers grow in dry years. Therefore, it is critical that imported water supplies be maintained, not only to meet annual drinking water needs but also to sustain the county's groundwater basins and prevent recurrence of land subsidence and saltwater intrusion into our groundwater basin.

The Bay Delta is in peril due to deteriorating water quality, environmental stressors, instability of existing Delta levees, underlying seismic risks, increasing threats of altered hydrology and sea level rise due to climate change, and ongoing regulatory uncertainty and concerns over the health of the Delta ecosystem. Because of the unsustainable conditions in the Delta, there have been frequent restrictions on water deliveries through the Delta.

That's why, for the past seven years, district staff have been participating in the development of a long-term, science-based Delta solution that is cost-effective and balances water supply reliability and a sustainable Delta ecosystem. The Bay Delta Conservation Plan (BDCP) is a habitat conservation plan aimed at restoring both the Delta ecosystem, including the recovery of 57 species, and water supply reliability, consistent with the goals of the 2009 Delta Reform Act.

Bay Delta

In October 2012, the district led more than 40 attendees on a guided bus tour of the Sacramento-San Joaquin Delta. The attendees included members of the environmental community, federal, state and locally elected officials, school board members, community and civic organizations, neighborhood groups, and an emergency response organization.

The tour highlighted fragile Delta levees, environmental issues and other factors that have placed Santa Clara County's imported water supply in jeopardy. Staff discussed the Bay Delta Conservation Plan process to develop a long-term solution to those issues.

In February 2013, the board was provided with an update on the BDCP plan and the board established a Board Ad Hoc Committee to assist them in developing policies related to the district's engagement in the BDCP dialogue process. The board has actively monitored the progress and analysis of the BDCP proposal, holding a series of public meetings and seeking out different views on BDCP.

While water conflicts are legendary in California, all of the district's board and staff know that sustaining our Silicon Valley economy and quality of life is of paramount importance. As we continue a transparent process to evaluate the plan's components and analyze the costs and benefits to Silicon Valley, we must also reflect on the costs of doing something different and the costs of doing nothing.

For more information on the Bay Delta and BDCP plan, go to:
http://www.valleywater.org/Services/Delta.aspx

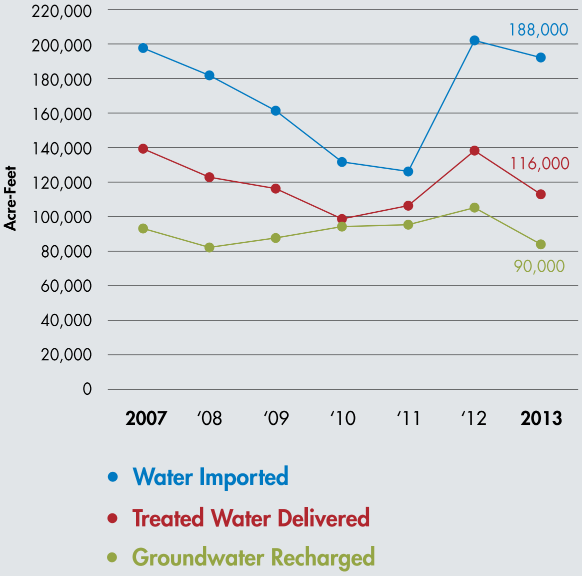
Fluoride

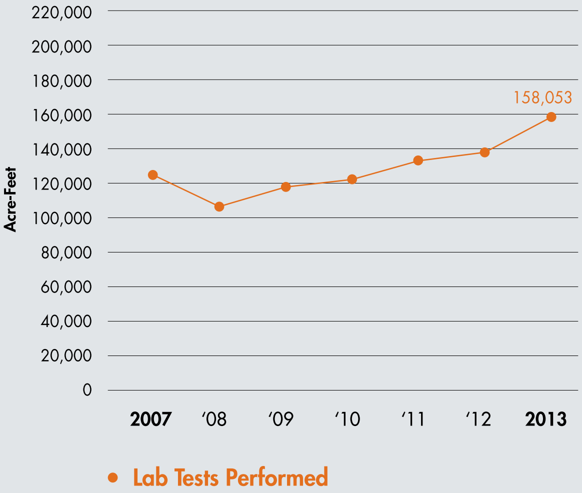
The district also made significant progress toward fluoridation of our drinking water. San José remains the largest city in the United States without optimized fluoridated drinking water supplies. The district has initiated a capital project to optimize the fluoride level of water leaving its three treatment plants. In FY 2012–13, the board of directors approved fluoridation funding agreements. The fluoridation program was made possible, in part, by $2.4 million in funding from The Health Trust, FIRST 5 Santa Clara County and the California Dental Association Foundation.

Fluoride has been safely added to U.S. drinking water supplies since 1945, and studies show that community water fluoridation has improved oral health in those communities. The American Dental Association concludes that water fluoridation continues to be effective in reducing dental decay by 20 to 40 percent, even in an era with widespread availability of fluoride from other sources, such as fluoride toothpaste.

When construction is completed in three to four years, a large percentage of the residents of northern Santa Clara County will begin to experience improved oral health and cavity prevention, especially among children.

Water supply by the numbers





Natural Flood Protection

Coyote Creek flooding

One of the main charges for the district is to protect homes, businesses and transportation networks from the devastating effects of flooding.

Since the early 1980s, the district has invested more than $1 billion in flood protection programs and has protected more than 97,000 properties from the 1-percent flood. Balancing the needs for flood protection and protection of streams as natural resources, the district employs technologies that help keep creeks as natural as possible. New, multipurpose projects combine flood protection with habitat enhancement and recreation.

Our flood protection activities are not only intended to reduce the threat of flooding, but they also help participating communities qualify for flood insurance discounts of up to 10 percent, resulting in approximately $1.7 million in annual savings for county residents. Through Federal Emergency Management Agency's (FEMA) Community Rating System, the district earns points for activities such as providing free sandbags, maintaining creeks and sending an informative mailer each year to every home and business located in a flood-prone area.

Lower Silver Creek Reaches 4 and 5 in construction

For more than a decade, the district and the Natural Resources Conservation Service have been working on a multi-purpose flood protection project along Lower Silver Creek in East San José. Improvements from Coyote Creek to Interstate 680 were completed in 2006 (Reaches 1, 2 and 3), but funding availability slowed additional progress. This project subsequently received economic stimulus funds totaling $20.2 million, allowing work to continue.

The project includes channel widening, installation and replacement of culverts and bridges and construction of floodwalls. When completed, the entire project, stretching 4.4 miles from Lower Silver Creek's confluence with Coyote Creek in downtown San José to Lake Cunningham, will provide increased flood protection to nearly 3,800 homes and businesses. It will also create 3.4 acres of urban wetland habitat, a low-flow channel for fish passage and 6.3 acres of riparian plants. Construction is expected to be completed by the end of 2014.

Calabazas Creek receives Letter of Map Revision approval from FEMA

In late August 2011, the Calabazas Creek project was the first capital project of the Clean, Safe Creeks program to be completed. The project provides 1-percent flood protection to 2,483 parcels in the Calabazas Creek watershed. A long detention basin parallel to the creek was built to capture high storm flows, preventing the creek from overtopping its banks in a 100-year flood. The district also repaired 14 severely eroding banks, avoiding concrete channels and floods walls whenever possible and instead planting native trees, shrubs and perennials in order to reduce erosion with habitat enhancing vegetation. The district reduced the cost of the project by collaborating with the City of San José, which rebuilt a BMX park at Calabazas Park.

In November 2012, the district and the cities of Saratoga, San José and Cupertino received official notification from FEMA that the Calabazas Creek Flood Protection Project had been approved, resulting in a revision of the Flood Insurance Rate Map for the area upstream of Miller Avenue.

Palo Alto Flood Basin tide gate repair

Palo Alto Gate repair

In September 2012, the district completed temporary repairs to stop seepage under the tide gate structure at the Palo Alto Flood Basin. The Palo Alto Flood Basin tide gates were built in the late 1950s and are a critical element for both wildlife habitat and flood protection for Palo Alto residents and businesses.

Maintaining flood basin water levels within a specified elevation allows the flood basin's islands to serve as habitat for marsh wildlife such as the salt marsh harvest mouse and the California clapper rail, both of which are protected species. The tide gates prevent extreme high tides from inundating the habitat areas with salt water and also accumulate freshwater runoff from Matadero, Adobe, and Barron creeks until they can be released to the bay at the next low tide.

The tide gates also protect Palo Alto from a flooding situation should a heavy rain event and a high tide occur at the same time. The flood basin has the capacity to retain several hours of heavy storm runoff until the next low tide occurs and then releases stored flood waters to the bay.

Since completing the temporary repairs to the tide gate structure, the district has developed a comprehensive capital project plan that ultimately will repair or replace the entire structure, thereby providing a long-term solution to issues stemming from the aging gates and foundations. The project is currently in the planning phase, with a planning study report expected to be released in mid-2014.

Planning of the South SF Bay Shoreline Study

The South SF Bay Shoreline Study is a U.S. Army Corps of Engineers Feasibility Study in partnership with the water district and the California Coastal Conservancy. The objectives of the study are to provide1-percent tidal flood protection, restore and enhance tidal marsh and related habitats, and provide recreational and public access opportunities to the county shoreline area. In December 2012, the district received notification from the California Department of Water Resources that the district was awarded a grant in the amount of $420,000 for the San Francisquito Creek to Guadalupe River Shoreline Feasibility Study.

The current phase of the study is focusing on the area near the Alviso Community and the San José/Santa Clara Regional Wastewater Facility. Two key milestones were accomplished during FY 2012–13 including preparation of the Draft Feasibility Report and Environmental Document and a conference where the project partners came to an agreement on a locally preferred plan.

Alviso Marina

Natural Flood Protection

Clean, Safe Creeks and Natural Flood Protection Program

During FY 2012–13, the district made progress on a number of Clean, Safe Creeks flood protection projects including the Upper Guadalupe River, Calabazas Creek, Upper Llagas Creek, San Francisquito Creek, Permanente Creek, and the Sunnyvale East and West Channels flood projection projects. More information is available at **https://www.valleywater.org/Programs/CleanSafeCreeksPlan.aspx**.

Completion of Upper Guadalupe River Flood Protection Project, Reach 6

Upper Guadalupe River Flood Protection ribbon cutting ceremony

The Upper Guadalupe River Flood Protection Project provides protection for some of the oldest residential areas in San José, as well as commercial areas in the Willow Glen neighborhood and vital transportation networks. In August 2012, the district completed construction of flood protection improvements and vegetation planting. The district held a ribbon cutting completion ceremony in September to mark this significant accomplishment.

Reach 6 is the first of seven segments of the Upper Guadalupe River slated for flood protection. The Reach 6 portion of the Upper Guadalupe River Flood Protection Project was a $10 million effort to protect the surrounding neighborhood from flooding. The project features a widened floodplain channel, a 100-foot extension of the West Virginia Street Bridge and an improved habitat ecosystem with the replacement of non-native vegetation with riparian vegetation. Work on upstream portions of Upper Guadalupe River is now in progress.

Upper Llagas Creek Flood Protection Project moves forward

The Upper Llagas Creek Flood Protection Project in Morgan Hill, San Martin and Gilroy achieved another milestone toward beginning construction in 2014. In October 2012, the water district hosted a public meeting to gather input on several project design alternatives. The Upper Llagas Creek Flood Protection Project will provide flood protection to communities along the East Little Llagas Creek, West Little Llagas Creek and Llagas Creek in San Martin and Morgan Hill.

Design alternatives ranged from an innovative bypass tunnel through a hill, which would allow the current creek to remain intact, preserving its natural flow, to a more traditional widening of the creek channel to allow higher flows.

This project has been transitioned to the Safe, Clean Water program. Once completed, the project will provide 100-year level of flood protection for 1,100 homes, 500 businesses and more than 1,300 acres of agricultural land in southern Santa Clara County.

San Francisquito Creek project leaps forward

The district took two significant steps during FY 2012–13 toward protecting more than 3,000 homes and businesses from a 100-year flood along San Francisquito Creek. First, the board approved an agreement with Nolte Associates, Inc. to provide design services for the replacement of the Pope/Chaucer Street Bridge. Second, the board approved an agreement with the San Francisquito Creek Joint Powers Authority (JPA) to provide construction management services for a flood protection project on the first section of the creek.

A total of $10.6 million in planning and design funding is allocated to the project from the Clean, Safe Creeks fund and the water district is on target to complete the planning and design phases for the project by 2016.

Permanente Creek in design phase

The Permanente Creek Flood Protection Project will provide 1-percent flood protection for residents, businesses and infrastructure along the Permanente Creek corridor in the cities of Mountain View and Los Altos. The project is currently in the design phase.

This project has been transitioned to Safe, Clean Water with construction expected to be completed in 2016.

Sunnyvale East and West Channels Flood Protection Project holds scoping meeting

In January 2012, the district hosted a public scoping meeting to inform and allow the public to comment on potential project elements of the Sunnyvale East and Sunnyvale West Channels Flood Protection Project.

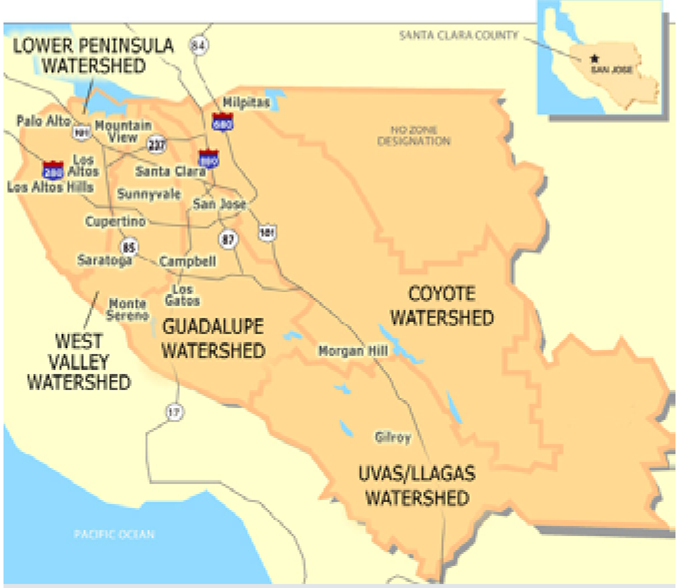
The project will provide 1-percent flood protection to homes, business and schools within the city of Sunnyvale. In addition, the project will provide channel stabilization measures to reduce erosion and improve water quality.

The project design phase is scheduled for completion in December 2013, with construction slated to begin in the spring of 2014. The water district will continue to work with cities and the community throughout the project design and construction phases.

Flood protection by the numbers

3,768 acres of vegetation managed
22,365 linear feet of creek bank stabilized
38,460 cubic yards of sediment removed
41,660 linear feet of corrective maintenance
684,966 linear feet of level maintenance
1,445,537 linear feet of facilities condition assessment conducted
65,500 sandbags delivered to the public
43,000 empty sandbags distributed to public works agencies regionally

SPOTLIGHT



W.O.W.— Watching Our Watersheds interactive maps

"Watching Our Watersheds" is a project to map the creeks, urban drainage network, watersheds, baylands and points of interest in Santa Clara Valley. When you open the watershed files in Google Earth, you can move through and learn about each watershed and view creeks, drainage channels, points of interest, species of concern and much more.

These watershed maps were prepared by Fugro Consultants, Inc. with the San Francisco Estuary Institute, the Oakland Museum of California, CLEAN South Bay, and many other collaborators and colleagues. Major funding for the map project was provided by the water district.

These maps can be accessed via the district's website: **http://www.valleywater.org/Services/WatershedInformation.aspx**

Healthy Creeks and Ecosystems

Providing water resources stewardship

Our county's creeks and streams provide habitat for numerous aquatic species, such as our flagship steelhead trout, while the surrounding watershed is home to native plants and animals. Maintaining a natural and healthy habitat is essential to the native species and the water quality of our streams. By incorporating habitat restoration, enhancement and preservation of natural stream functions into our water supply and flood protection projects, the district has been able to make steady progress and see a cumulative positive difference over time.

2014 Stewardship Report Calendar cover

In late 2013, the district released its fourth annual Stewardship Report for FY 2012–13. This year the report was developed as a calendar. The district's environmental stewardship activities are showcased alongside beautiful photographs of our Santa Clara County watershed areas. The free wall calendar can be ordered at https://www.surveymonkey.com/s/W76ZW23.

Clean creeks and rivers

The district has a critical leadership role in keeping our creeks and rivers clean. Efforts to improve watersheds, streams and natural resources encompass a wide range of activities including managing vegetation and removing trash from local streams, supporting trails and open space along our waterways, and restoring wildlife habitat.

The district's countywide trash and graffiti removal program operates year-round with small crews in each watershed performing periodic cleanups at hot spots and responding to trash and graffiti complaints.

In FY 2012–13, the district:

- Removed approximately 4,763 cubic yards of trash/debris from county streams
- Removed 453,850 square feet of graffiti from 334 identified "hot spots"
- Repaired 12,253 linear feet of fences

The district organizes volunteer creek cleanup events and manages the year-round Adopt-A-Creek program, which has more than 100 groups as creek stewards. Every year, the district joins the Creek Connections Action Group and coordinates thousands of volunteers in two large-scale cleanup events—National River Cleanup Day in May and Coastal Cleanup Day in September.

Trash cleanup

In FY 2012–13, the two clean up events resulted in:

- The involvement of 2,387 volunteers
- Cleanup events at 84 sites covering 109 creek miles
- The removal of 49,448 pounds of trash and 6,803 pounds of recyclables

Almaden Lake mercury clean up

Mercury, the most toxic of all natural metals, is a naturally occurring substance and can be found in local rocks and soil. While it is not present in our drinking water, it can be found in waterways throughout our county.

The Guadalupe Watershed, which spans 170-square miles in San José and contains six reservoirs and more than 80 miles of streams and rivers, is one of the area's biggest sources of mercury contamination. Historic mining operations like at the New Almaden Mines, the largest mercury mine in North

SPOTLIGHT

Illegal encampment site at Coyote Creek

Illegal encampment clean ups

Illegal encampments not only pose a serious safety issue for the homeless, our field operations staff and local residents, they are a serious problem for our watersheds. Large volumes of trash from a variety of sources, including homeless encampments, slow the flow of creeks, increasing flood threats and harming wildlife habitats. Encampment sites may contain human waste, batteries, chemicals, detergents and needles. Unsanitary conditions and dangerous behaviors pose health and safety concerns or hazards to field crews, trail users, neighborhood residents, and the homeless individuals themselves. Illegal encampments result in damage to creek banks, deterioration of water quality and substantial increases in the volume of trash and debris that wind up in creeks and the Bay.

The water district is committed to working collaboratively with municipal and county government agencies and community organizations to reduce illegal encampments along local creeks. During FY 2012–13, the board voted to renew a five-year agreement with the City of San José to share in the cost of ongoing illegal encampment cleanups as well as provide funding for two additional park rangers to help patrol creek areas and provide information to homeless individuals on available social services.

The 2013 fiscal year-end totals include 300 tons of material that were removed at 30 illegal encampment sites.

Healthy Creeks and Ecosystems

America, contaminated downstream lakes and riverbeds with an estimated 6,500 tons of mercury between 1850 and 1920. While it does not float in the water supply, large amounts of mercury is present in the soil and travels up the food chain, accumulating in fish and, posing a threat to people who ingest them.

In recent years, the district has conducted mercury cleanups on its property along the watershed such as at Jacques Gulch and some portions of Alamitos Creek. Almaden Lake, a 32-acre man-made lake that was formerly a gravel quarry pit, is next on the list of contaminated sites that the water district has targeted for cleanup. The mercury contamination levels are so high, in fact, that Almaden Lake has been designated as one of California's dirtiest lakes by the State Water Resources Control Board. The mercury-containing sediment in Almaden Lake has resulted in it not meeting water quality objectives set by the San Francisco Bay Water Quality Control Board.

Because the lake is a well known community landmark for Almaden residents, the district has prioritized efforts to engage the public and receive feedback on Almaden Lake restoration project alternatives through an extensive public outreach effort.

In October 2012, the district held an innovative "World Café" to solicit feedback on conceptual alternatives from the community. A follow up meeting was held in March 2013 to present feasible alternatives based on community input.

World Café meeting

Board authorizes more than $730,000 in grant funding

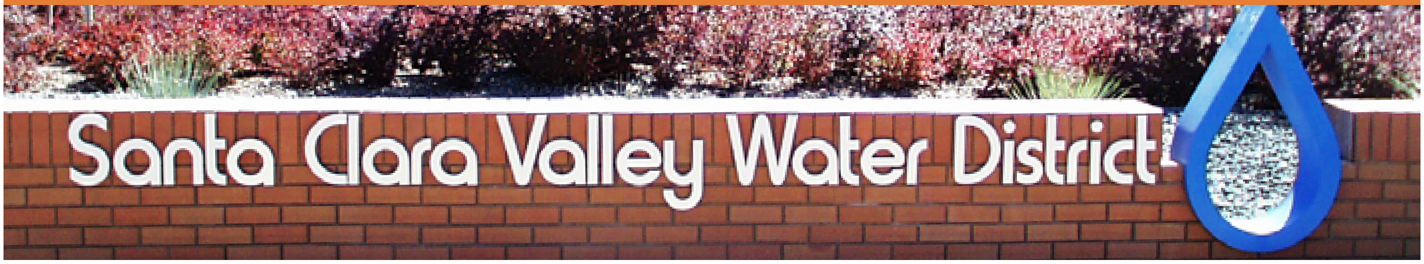
Friends of Los Alamitos Watershed Grant Project mercury signage

On June 25, 2013, the board authorized grant awards to six organizations and municipalities to implement projects that help prevent pollution, increase trail and open space, and enhance the environment. More than $730,000 in grant funding was approved for these projects.

The majority of the district's grant funding comes from the voter-approved Clean, Safe Creeks and Natural Flood Protection Plan and the funded projects will help achieve the plan's objectives. The district's grant funding has been issued through four grant programs: Trail and Open Space, Environmental Enhancement Implementation, Environmental Enhancement Planning, and Watershed Stewardship.

The district's grants program, as well as partnerships through joint use and joint trail agreements, combined with other public and private funding, has helped fund 92 projects totaling more than $16.7 million since 2000.

Administration



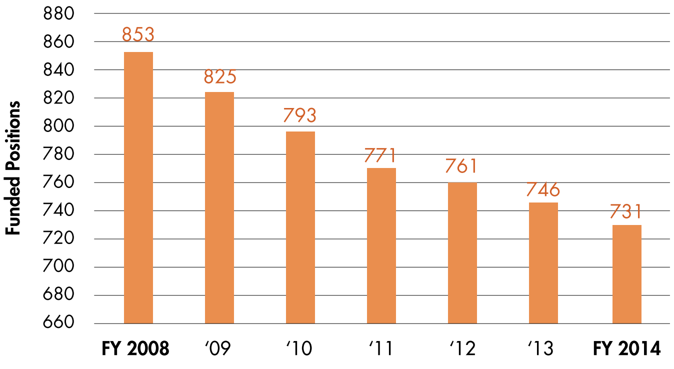
Fiscal year 2012–13 budget

The FY 2012–13 budget reinforced our commitment to focus on providing the core services that are critical to Santa Clara County communities. The budget was comprised of $220.3 million in net operating outlays and $64.9 million in capital projects. It focused on:

- Maintaining the vast network and infrastructure necessary to transport, treat and deliver clean, reliable water
- Maintaining flood protection channels to protect communities
- Continuing to provide stream stewardship to safely transport stormwater and provide wildlife habitat

The FY 2012–13 $285.2 million budget was nearly 9 percent lower than the previous fiscal year. The budget included a continuation of efforts initiated a few years ago to reduce headcount, operating costs and provide precise budgeting, while improving efficiency, effectiveness and optimization of services throughout the district.

That said, the future calls for major infrastructure investments in order to provide the services that Silicon Valley relies upon for its economic vitality and competitiveness, as well as quality of life.



On May 14, 2013, the board adopted a $471.9 million operating and capital budget for fiscal year 2013-14. The new budget is 65 percent higher than FY 2012–13, an increase that is largely driven by an aggressive capital improvement program to rehabilitate the county's aging water resources and flood protection infrastructure, increase our sustainability and provide enhanced watershed stewardship.

District successfully achieves ISO recertification

In February 2013, the district successfully completed its recertification audit for continued registration to International Organization for Standardization's (ISO) Quality Standards (9001:2008) and Environmental Standards (14001:2004). The district's Quality and Environmental Management System (QEMS) drives continual improvement of our processes and promotes development of a knowledgeable staff prepared to ensure continuity of daily operations. This management system also facilitates succession planning. Adherence to these rigorous standards requires a commitment of senior leadership and focused, coordinated support and participation of over 30 business units and approximately 270 staff.

Small Business Enterprise (SBE) participation by the numbers

The district actively encourages and promotes small and local businesses. With a goal of 10 percent, the district exceeded its targets in FY 2013:

- **Consultant services with SBE participation:** 36 percent
- **Goods and services with SBE participation:** 24 percent
- **Construction with SBE participation:** 48 percent

More than $9 million has benefited local businesses and the economy through the SBE program during FY 2012–13.

Governance, Transparency and Community Engagement

New Office of Ethics and Corporate Governance

In May 2013, the district established a new department and hired a new Ethics and Corporate Governance director. The office is charged with leading and managing the areas of ethics, equal opportunity, diversity and inclusion, district communications, organizational performance, management audit, and government relations. This new office consolidates several oversight functions that now fall into a single unit reporting to the CEO in order to promote and foster a culture of ethical behavior throughout the water district and serve as an ombudsman for the organization on all matters of ethics and effective governance.

The district board of directors also has a Board Audit Ad Hoc Committee that assists the board in identifying audit needs and priorities. The committee prepares a Board Management Audit Plan annually for board approval and assists in the scoping, scheduling and oversight of board commissioned audits. More information on audits can be found at: **http://www.valleywater.org/About/BoardAuditAdHocCommittee.aspx**

Customer and community relations

The goal of the district's customer and community relations staff is to effectively communicate the water district's programs, projects and challenges to the community in order to inform, foster public engagement and promote transparency. District staff work hard to keep the community informed and involved throughout the life cycle of a project or program to inform and gather input from neighbors and the community on projects that affect them, whenever possible.

Stay in touch!

To get eNews, e-mail info@valleywater.org

MAIL

/scvwd

/valleywater

/valleywater

In FY 2012–13, the district hosted 29 community events, including neighborhood meetings, tours and facility open houses, more than twice as many as last fiscal year. Staff sent out 34 neighborhood notices to residents and businesses impacted by nearby project work.

Each year, the district distributes and collects between 1500-2000 surveys at the completion of a project. A biannual survey is also mailed out to our water treatment plant neighbors. The results of these surveys are compiled into a customer satisfaction index, rating us on communications, responsiveness and meeting expectations. Over the last three years, the index has remained very high, 85 points out of 100.

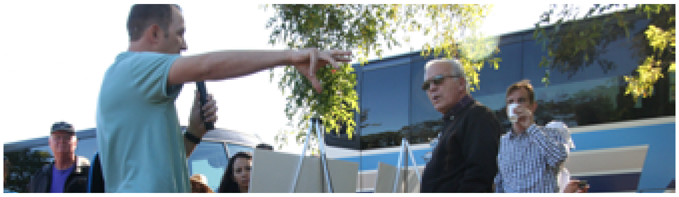
To reach the county's very diverse community, the district offers translated version of our major publications in Chinese, Spanish and Vietnamese. In FY 2012–13, the district also participated in 19 external community events/festivals and sponsored 19 nonprofit organizations.

District film screening series

The district hosted several film screenings, including four, well attended screenings of a new video, "Santa Clara Valley Water District – Protecting Your Future." The video honors the visionary leaders who built the water system that Santa Clara Valley depends on today and challenges its residents to honor future generations with clean, safe and reliable water resources. Free copies of the DVD are available.

In January 2013, the district hosted a film screening of the documentary, "The Klamath Basin: A Restoration for the Ages." For more than a century, the Klamath River Basin along the Oregon and California border has faced complex water management disputes. After years of fighting, a groundbreaking compromise may soon settle the battles with two epic agreements that hold the promise of peace and fish for the watershed.

Bus tour of West Valley Watershed and Rinconada Water Treatment Plant open house



West Valley Watershed bus tour

In November 2012, the district hosted a special bus tour of key West Valley Watershed facilities that started at the Rinconada Water Treatment Plant for nearly 100 interested local residents. The event showcased a variety of important water district projects and programs from groundwater recharge and flood protection, to drinking water treatment and stream stewardship.

The bus tour concluded with an open house of the Rinconada Water Treatment Plant where more than 200 neighbors descended upon the facility for the first open house at the site since 2009. The four-hour event featured tours of the grounds, water education through magic shows, tips on conservation and insight into future projects at the plant designed to ensure its long-term reliability. Water plant operators and supervisors led the tour of Rinconada's clarifiers, filters and giant pumps, breaking down in layperson terms the process of getting safe, clean drinking water to the taps.

Watch us on TV and YouTube

In late 2012, the district also started a new monthly public access television series, "People Behind Your Water," which debuted on CreaTV San José. The half-hour show airs on CreaTV Channel 30 on San José's Comcast cable system and is posted on the district's YouTube channel. Each show highlights Santa Clara Valley water issues and the people who manage our water resources.

CreaTV San Jose

SPOTLIGHT

Accessing the district

Do you ever wonder where to report trash, dumping or downed trees in a creek? Or have a question about your well, water district facility or project in your neighborhood? The district has an online customer service center, Access Valley Water, designed to reach the right person and facilitate a speedy response to your requests, questions, complaints or compliments.

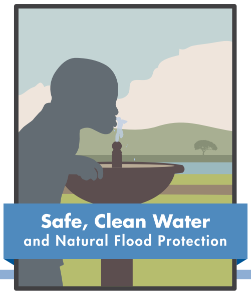
In FY 2012–13, we managed 3,117 open cases and resolved 2,926 cases that were closed with an average response time of less than three days. This online resource is available in two ways: via our main website at www.valleywater.org or via a mobile app for your iPhone or Android mobile device. We look forward to hearing from you!

And please sign up for our monthly e-newsletter so you don't miss out on a planned tour, grant program or creek cleanup volunteer opportunity. Simply click on the envelope icon on our webpage or send us an email to **info@valleywater.org**.

Year in Review 2012-2013

July 2012

The board of directors voted unanimously to place the Safe, Clean Water and Natural Flood Protection measure on the Nov. 6, 2012 ballot to help ensure the quality, safety and supply of our local water resources. The new measure renews an expiring parcel tax, the Clean, Safe Creeks and Natural Flood Protection Plan, passed by voters in 2000.



August

A leak on the Santa Clara Distributory pipeline in Saratoga required emergency repairs due to aging infrastructure. The pipeline is a major drinking water pipeline at the border of Saratoga and San José next to Highway 85. To reach the leak, workers entered the pipeline and descended 30 feet down a steep slope. Welders temporarily repaired the leak from inside the pipeline. Over the winter, district staff conducted a more complete rehabilitation project at this site while water demands were low.

September

A ribbon-cutting event celebrating the completion of the Upper Guadalupe River Flood Projection Project, Reach 6, took place on Sept. 8. The Reach 6 portion of the Upper Guadalupe River Flood Protection Project was a $10 million effort to protect the surrounding neighborhood from flooding. Praised by Congressmember Zoe Lofgren, the project featured a widened floodplain channel, a 100 foot extension of the West Virginia Street Bridge, and improved habitat ecosystem with the replacement of non-native vegetation with riparian vegetation.

October

On Oct. 17, the district and the city of Cupertino were presented with the 2010 Site Design Award by the Santa Clara Valley Urban Runoff Pollution Prevention Program for a restoration project on Stevens Creek where it passes through Blackberry Farm Park. The project, funded by the water district, was designed to maintain the natural floodplain of the creek, providing protection from flooding to the surrounding neighborhoods while reducing run-off.

November

On election day, 74 percent of Santa Clara County voters approved the district's measure to fund the Safe, Clean Water and Natural Flood Protection Plan. The program will address important water supply, water quality, flood protection and watershed stewardship needs of the county. Developed with input from more than 16,000 residents and stakeholders, this 15-year program was created to match the community's needs and values.

December

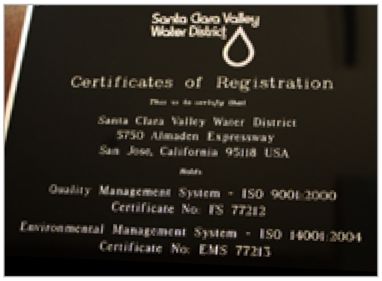
On Dec.18, the board of directors voted to enter into funding agreements to fluoridate much of Santa Clara County's water supply. The Health Trust, FIRST 5 Santa Clara County and the California Dental Association committed to reimbursing the water district for $2.4 million of the costs associated with fluoridation.

January

On Jan. 22, the district hosted a community meeting to discuss the Anderson Dam Seismic Retrofit Project. More than 80 Morgan Hill residents attended the meeting to learn about the six proposed project alternatives that would increase seismic stability for public safety, operational flexibility and asset protection. The project is currently in the planning and design phase and is expected to be completed by the end of 2018.

February

The district successfully completed its recertification audit for continued registration to International Organization for Standardization's (ISO) Quality Standards (9001:2008) and Environmental Standards (14001:2004). The district's Quality and Environmental Management System (QEMS) drives continual improvement of the district's processes and promotes the development of a knowledgeable staff prepared to ensure continuity of daily operations.



Santa Clara Valley Water District

Certificates of Registration

This is to certify that

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118 USA

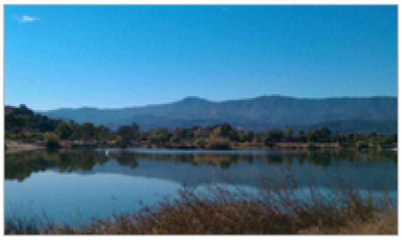
holds

Quality Management System - ISO 9001:2000
Certificate No: FS 77212

Environmental Management System - ISO 14001:2004
Certificate No: EMS 77213

March

On March 13, the district held a public meeting to present feasible alternatives based on community input for improving the water quality of the 32-acre Almaden Lake which has high levels of mercury. Currently, the district's project team has identified four feasible alternatives to reduce the impacts from mercury-containing sediment to water quality and habitat, and high water temperatures to cold-water fish.



April

The Guadalupe River Park Conservancy, in partnership with the City of San José and the water district, celebrated the opening of a new 6.7 mile paved section of trail along the river, connecting downtown San José with Alviso.

May

On May 18, the district organized National River Cleanup Day to provide an opportunity for individuals, organizations, and anyone interested in helping clean up local waterways. Thirty-eight sites reported that 834 volunteers covered 52 miles of creeks and reservoirs in the county and removed 15,798 pounds of trash and collected 2,556 pounds of recyclables.

June 2013

On June 25, the board authorized grant awards to six organizations and municipalities to implement projects that help prevent pollution, increase trail and open space, and enhance the environment. More than $730,000 in grant funding was approved for these projects.

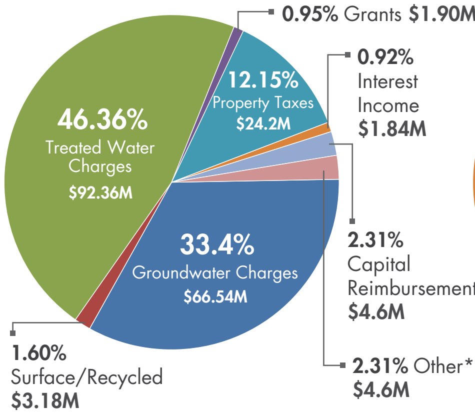
Financial Summary

(Budgetary Basis)

Water Utility Enterprise Fund

(includes State Water Project fund)

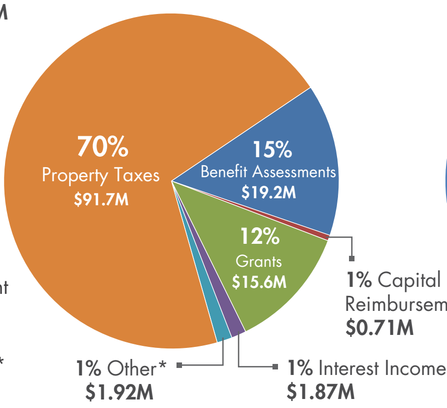
Total Revenues: $192.8 million



Watershed Funds

(includes Watersheds and Clean, Safe Creeks)

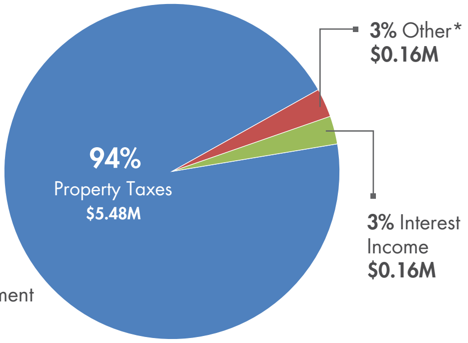
Total Revenues: $131 million



General and Internal Service Funds

(Gross $57 million)

Total Revenues: $5.8 million



The district receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from ad valorem property taxes; Clean, Safe Creeks and Natural Flood Protection special parcel tax; benefit assessments that support financing for flood protection projects; interest earnings, cost-sharing agreements and grants.

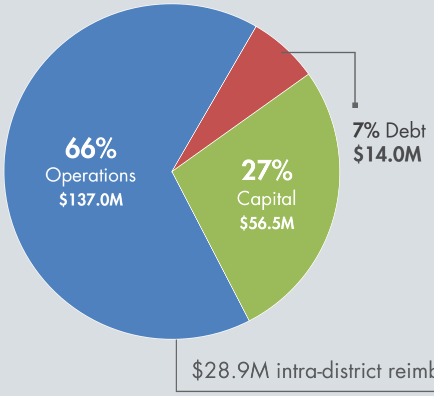
Water Utility Enterprise Fund Revenue bonds are rated Aa1 by Moody's and AA Stand & Poor's.
The Watershed Certificates of Participation series is rated Aa1 by Moody's and AA+ by Standard & Poor's.

**Others include federal/state funding, inter-governmental funds, and other non-operating revenues.*

Water Utility Enterprise Fund

(includes State Water Project fund)

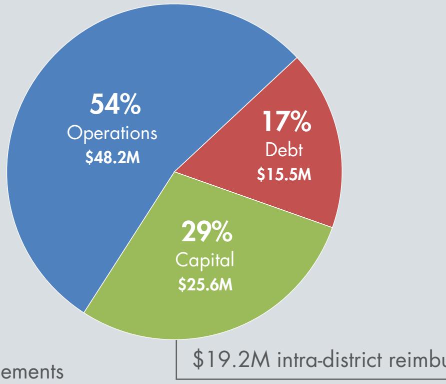
Total Expenditures: $207.5 million



Watershed Funds

(includes Watersheds and Clean, Safe Creeks)

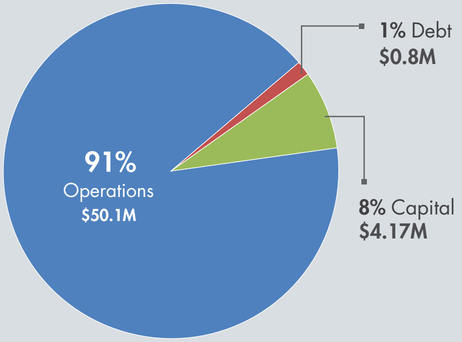
Total Expenditures: $89.2 million



General and Internal Service Funds

(Gross $55 million)

Net Expenditures: $3.7 million



The data above shows expenditures of each of our business areas for projects and programs that benefit the communities of Santa Clara County. Capital construction projects, debt and intra-district reimbursements are highlighted for each area. Intra-district reimbursements are overhead costs charged to projects for support services such as human resources, IT or legal and financial services.

Two-Year Comparative Changes in Net Assets
Fiscal Year Ending June 30, 2013

(Dollars in Thousands) (Accrual Basis)

	Governmental Activities[1]		Water Utility Enterprise Fund		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Revenues						
Program revenues:						
Charges for services	$ -	$ -	$ 155,718	$ 141,783	$ 155,718	$ 141,783
Operating grants and contributions			980	1,111	980	1,111
Capital grants and contributions	34,935	32,611	4,610	11,803	39,545	44,414
General revenues						
Property taxes	92,746	88,247	24,200	22,327	116,946	110,574
Investment earnings	3,509	2,253	1,163	1,082	4,672	3,335
Miscellaneous	2,934	2,453	5,561	2,573	8,495	5,026
Total revenues	134,124	125,564	192,232	180,679	326,356	306,243
Expenditures						
General fund	6,404	5,408	-	-	6,404	5,408
Watersheds	51,735	50,292	-	-	51,735	50,292
Interest on long-term debt	7,971	7,034	-	-	7,971	7,034
Water enterprise	-	-	161,609	158,888	161,609	158,888
Total expenditures	66,110	62,734	161,609	158,888	227,719	221,622
Increase in net assets						
Before transfers of funds	68,014	62,830	30,623	21,791	98,637	84,621
Transfers of funds	(3,729)	(3,281)	3,729	3,281	-	-
Increase in net assets	64,285	59,549	34,352	25,072	98,637	84,621
Net assets, beginning	1,273,528	1,213,979	669,114	644,042	1,942,642	1,858,021
Net assets, ending	$ 1,337,813	$ 1,273,528	$ 703,466	$ 669,114	$ 2,041,279	$ 1,942,642

Notes:

[1] *Governmental includes General Fund, Watershed, Clean Safe Creek, Debt Service, and Internal Service Funds*

Santa Clara Valley
Water District

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686
Phone: (408) 265-2600
Fax: (408) 266-0271
www.valleywater.org

© 2014 Santa Clara Valley Water District • PUB 012 • February 2014 JL/DT